BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: EQUITABLE RESOURCES EXPLORATION, a Division of Equitable Resources Energy Company, a West Virginia Corporation

VIRGINIA GAS AND OIL BOARD

RELIEF SOUGHT: MODIFICATION OF VIRGINIA GAS AND

OIL BOARD ORDER IN VGOB DOCKET NO. 94-0920-0474 FOR THE REPOOLING OF INTERESTS IN A DRILLING UNIT LOCATED IN THE ROARING FORK COALBED METHANE GAS FIELD DESCRIBED IN EXHIBIT A HERETO AND SERVED BY WELL NO. VC-3225 (herein "Subject Drilling Unit") PURSUANT TO \$\$ 45.1-361.21 and 45.1-361.22, CODE OF VIRGINIA, 1950 AS AMENDED, FOR THE PRODUCTION OF OCCLUDED NATURAL GAS PRODUCED FROM COALBEDS AND ROCK STRATA ASSOCIATED THEREWITH (herein "Coalbed Methane Gas" or "Gas")

DOCKET NO. 95-0221-0492 (Modification of Board Order in VGOB Docket No. 94-0920-0474 Entered November 9, 1994, and Recorded in Deed Book 790 at Page 670 Dickenson County, Virginia (herein "Original Pooling Order"))

LEGAL DESCRIPTION:

SUBJECT DRILLING UNIT SERVED BY WELL NUMBERED VC+3225 (herein "Well") TO BE DRILLED AT THE LOCATION DEPICTED ON EXHIBIT A HERETO, PENN VIRGINIA RESOURCES CORPORATION TRACT 746, FLAT GAP QUADRANGLE, GLADEVILLE MAGISTERIAL DISTRICT, WISE COUNTY, VIRGINIA (the "Subject Lands" are more particularly described on Exhibit "A", attached hereto and made a part hereof)

REPORT OF THE BOARD

FINDINGS AND TEMPORARY ORDER

- Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at 9:00 a.m. on February 21, 1995, Dickenson Conference Room, Southwest Virginia 4-H Education Center, Abingdon, Virginia.
- Appearances: James E. Kaiser of Hunter, Smith & Davis appeared for the Applicant; and Sandra B. Riggs, Assistant Attorney General, was present to advise the Board.
- Jurisdiction and Notice: Pursuant to Va. Code § 45.1-361.1 et seq., the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a meaningful search of reasonably available sources to determine the identity and whereabouts of potential owners, i.e.,

methane gas in all Pennsylvanian Age coals below the Norton, including all splits to the top of the red and green shales, including, but not limited to Splashdam, Upper Banner, Lower Banner, Kennedy, Raven, Jawbone, Tiller, Upper Horsepen, Middle Horsepen, War Creek, Beckley, Lower Horsepen, Pocahontas No. 8, Pocahontas No. 4, Pocahontas No. 3, and Pocahontas No. 1, and any other unnamed coal seams, coalbeds and rock strata associated therewith (hereafter "Subject Formations") in the Subject Drilling Unit underlying and comprised of Subject Lands, and (2) has given notice to all parties so identified (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships, associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by Va. Code §§ 45.1-361.19 and 45.1-361.22, to notice of this application; (3) that the persons set forth in Exhibit B hereto are persons identified by Applicant who may be claimants of Coalbed Methane Gas interests in Subject Formations, in the Subject Drilling Unit underlying and comprised of Subject Lands. Further, the Board has caused notice of this hearing to be published as required by Va. Code § 45.1-361.19.B. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of state and federal due process.

- 4. Amendments: Exhibit B of the Original Pooling Order is being amended to reflect the potential Gas interests in Tract 3 of Subject Drilling Unit of the following heirs of James M. Day who were identified by Applicant subsequent to entry of the Original Pooling Order, through their continued due diligence: Jim Day and Pam Day, Husband/Wife; Ruth Robinette Smith, Widow; Hazel Craft and Johnny Craft, Wife/Husband; Randy Chisenhall and Gwen Chisenhall, Husband/Wife; Terry Chisenhall and Regina Chisenhall, Husband/Wife; Anna White (unlocatable); and Burton Day Estate (unknown and unlocatable).
 - 5. <u>Dismissals</u>: None.
- 6. Relief Requested: Applicant requests that the Board modify the Original Pooling Order: (1) pursuant to Va. Code § 45.1-361.22, including the applicable portions of Va. Code § 45.1-361.21, to repool all the rights, interests and claims in and to the Gas in the Subject Drilling Unit, including those of the known and unknown persons named herein and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, for the drilling and operation, including production, of Coalbed Methane Gas produced from the Subject Drilling Unit established for the Subject Formations underlying and comprised of the Subject Lands, (hereafter sometimes collectively identified and referred to as "well development and/or operation in the Subject Drilling Unit"); (2) that the Board redesignate Equitable Resources Exploration as the Unit Operator; and (3) amend the Original Pooling Order by deleting Exhibit B thereto and substituting Exhibit B of this Modification Order, to extend to those persons named in Paragraph 4 above a right to make an election in accordance with Paragraph 9 of this Modification Order.
- 7. Relief Granted: The requested relief in this cause be and hereby is granted: (1) pursuant to Va. Code § 45.1-361.21.C.3, Equitable Resources Exploration (hereafter "Unit Operator") is redesignated as the Unit Operator authorized to drill and operate the Well in the Subject Drilling Unit, subject to the permit provisions contained in Section 45.1-361.27 et seq., Code of Virginia, 1950 as amended, to § 480-05-22.1 et seq., Gas and Oil Regulations and to § 480-05-22.2 et seq., Virginia Gas and Oil Board Regulations, and to the Virginia Gas and Oil Board's Order entered May 31, 1994, establishing Drilling Units for the Roaring Fork Coalbed Methane Gas Field, all as amended from time to time; (2) all the rights and interests in and to the Gas in the Subject Drilling Unit, including those of the known and unknown persons listed on Exhibit B attached hereto and made a part hereof, and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, be and hereby are pooled in the Subject Lands; and (3)

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Exhibit B to the Original Pooling Order is deleted in toto and replaced with the Exhibit B attached hereto.

Subject	Subject	Permitted	Field and Well Classification	Order
Formations	Unit Size	Well Location		<u>Number</u>
All Pennsyl- vanian Age below the Norton seam to the top of the Red and Green top of the red and green shalincluding, but not limited to Hagy, Splashda Upper Banner, Lower Banner, Kennedy, Raver Jawbone, Tille Upper Horseper Middle Horseper War Creek, Bed Lower Horseper Pocahontas No.	les, c, am, er, n, en, ckley,	Well VC-3225 to be located as depicted on Exhibit A Depth: 2,060 feet	Roaring Fork Coalbed Methane Gas Field	VGOB Order dated May 31, 1994, estab- lishing Drilling Units for the Roaring Fork Coalbed Methane Gas Field in VGOB Docket No. 94-0215- 0435

For the Subject Drilling Unit underlying and comprised of the Subject Land referred to as:

Pocahontas No. 4, Pocahontas No. 3, Pocahontas No. 1, and any other unnamed coal seams,

coalbeds, and rock strata associated therewith

Subject Unit Served by Well VC-3225 Wise County, Virginia

8. Election and Election Period: In the event any heir of James M. Day identified in Paragraph 4 above has not reached a voluntary agreement to share in the operation of the well to be located in the Subject Drilling Unit at a rate of payment mutually agreed to by said gas or oil owner or claimant and the Operator, then such person may elect one of the options set forth in Paragraph 9 below and must give written notice of his election of the option selected under Paragraph 9 herein to the designated Unit Operator at the address shown below within thirty (30) days from the date this Order is recorded in the county above named. A timely election shall be deemed to have been made if, on or before the last day of said 30-day period, such electing person has delivered his written election to the designated Unit Operator at the address shown below or has duly postmarked and placed its written election in first class United States mail, postage prepaid, addressed to the Unit Operator at the address shown below.

- 9. Election Options:
- Option 1 To Participate In The Development and Operation of the Drilling Unit: In the event any heir of James M. Day identified in 9.1 Paragraph 4 above has not reached a voluntary agreement with the Operator, then such person may elect to participate in the development and operation of the Subject Drilling Unit (hereafter "Participating Operator") by agreeing to pay such Participating Operator's proportionate part of the actual and reasonable costs, including a reasonable supervision fee, of the well development and operation in the Subject Drilling Unit, as more particularly set forth in Virginia Gas and Oil Board Regulation VR 480-05-22.2, Section 10 ("Completed-for-Production Costs"). Further, Participating Operator agrees to pay his proportionate part of the Estimated, Completed-for-Production Costs set forth below to the Unit Operator within forty-five (45) days from the later of the date of mailing or the date of recording of this Order. The Estimated, Completed-for-Production Costs for the Subject Drilling Unit are as follows:

Estimated, Completed-for-Production Costs - \$179,000.00

A Participating Operator's proportionate cost hereunder shall be the result obtained by multiplying the Participating Operator's Percentage Interest Within Unit as set forth in Exhibit B times the costs stated immediately above. Provided, however, that in the event a Participating Operator elects to participate and fails or refuses to pay his proportionate part of the Estimated, Completed-for-Production Costs as set forth above, all within the time set forth herein and in the manner prescribed in Paragraph 8 of this Order, then such Participating Operator shall be deemed to have elected not to participate and, subject to a final legal determination of ownership, to have accepted the cash bonus consideration in lieu of participation pursuant to Paragraph 9.2 hereof.

9.2 Option 2 - Receive a Cash Bonus Consideration from Operator : In lieu of participating in the development and operation of the Subject Drilling Unit under Paragraph 9.1 above, any heir of James M. Day named in Paragraph 4 above who has not reached a voluntary agreement with the Operator may elect to accept a cash bonus consideration of \$5.00 per net mineral acre owned by such person, commencing upon entry of this Order and continuing annually until commencement of production from the Subject Drilling Unit, and thereafter a royalty of 1/8th of 8/8ths [twelve and one-half percent (12.5%)] of the net proceeds received by the Unit Operator for the sale of the Coalbed Methane Gas produced from any well development covered by this Order multiplied by the gas or oil owner's or claimant's Percentage Interest Within Unit as set forth in Exhibit B (for purposes of this Order, net proceeds shall be actual proceeds received less all post-production costs incurred downstream of the wellhead, including, but not limited to, all gathering, compression, treating, transportation and marketing costs, whether performed by Unit Operator or a third person) as fair, reasonable and equitable compensation to be paid to said gas or oil owner. The initial cash bonus shall become due and owing when so elected and shall be tendered, paid or escrowed within sixty (60) days of recording of this Order. Thereafter, annual cash bonuses, if any, shall become due and owing on each anniversary of the date of recording of this order in the event production from the Subject Drilling Unit has not theretofore commenced, and once due, shall be tendered, paid or escrowed within sixty (60) days of said anniversary date. Once the

initial cash bonus and the annual cash bonuses, if any, are so paid or escrowed, subject to a final legal determination of ownership, said payment(s) shall be satisfaction in full for the right, interests, and claims of such electing gas or oil owner or claimant in and to the Gas produced from Subject Formation underlying the Subject Lands, except, however, for the 1/8th royalties due hereunder.

The election made under this Paragraph 9.2, when so made, shall be satisfaction in full for the right, interests and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to and hereby does lease and assign, subject to a final legal determination of ownership, his right, interests and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator.

Option 3 - To Share In The Development And Operation As A Non-Participating Person On A Carried Basis And To Receive Consideration In Lieu Of Cash: In lieu of participating in the development and operation of the Subject Drilling Unit under Paragraph 9.1 above and in lieu of receiving the Cash Bonus Consideration under Paragraph 9.2 above, any heir of James M. Day named in Paragraph 4 above who has not reached a voluntary agreement with the Operator may elect to share in the development and operation of the Subject Drilling Unit on a carried basis (as a "Carried Well Operator") so that the proportionate part of the Completed-for-Production Costs hereby allocable to such Carried Well Operator's interest is charged against such Carried Well Operator's share of production from the Subject Drilling Unit. Such Carried Well Operator's rights, interests, and claims to the Gas in the Subject Drilling Unit shall be deemed and hereby are assigned to the Unit Operator until the proceeds from the sale of such Carried Well Operator's share of production from the Subject Drilling Unit (exclusive of any royalty, excess or overriding royalty, or other non-operating or non costbearing burden reserved in any lease, assignment thereof or agreement relating thereto covering such interest) equals three hundred percent (300%) for a leased interest or two hundred percent (200%) for an unleased interest (whichever is applicable) of such Carried Well Operator's share of the Completed-for-Production Costs allocable to the interest of such Carried Well Operator. When the Unit Operator recoups and recovers from such Carried Well Operator's assigned interest the amounts provided for above, then, the assigned interest of such Carried Well Operator shall automatically revert back to such Carried Well Operator, and from and after such reversion, such Carried Well Operator shall be treated as if it had participated initially under Paragraph 9.1 above; and thereafter, such participating person shall be charged with and shall pay his proportionate part of all further costs of such well development.

The election made under this Paragraph 9.4, when so made, shall be satisfaction in full for the rights, interests, and claims of such electing person in any well development and operation covered hereby and, subject to a final legal determination of ownership, such electing person shall be deemed to have and hereby does assign his rights, interests and claims in the Gas produced from Subject Formations in the Subject Drilling Unit to the Applicant for the period of time during which its interest is carried as above provided prior to its reversion back to such electing person.

- named in Paragraph 4 above fails to elect within the time, in the manner and in accordance with the terms of this Order one of the alternatives set forth in Paragraph 9 above for which his interest qualifies, then such person shall be deemed to have elected not to participate in the proposed development and operation of Subject Drilling Unit and shall be deemed, subject to a final legal determination of ownership, to have elected to accept as satisfaction in full for such person's right, interests and claims, the consideration provided in Paragraph 9.2 above, and shall be deemed to have leased and/or assigned all his right, interests and claims to said Gas produced from Subject Formation in Subject Drilling Unit to the Applicant. Persons who fail to properly elect shall be deemed, subject to a final legal determination of ownership, to have accepted the compensation and terms set forth herein at Paragraph 9.2 in satisfaction in full for the rights, interests, and claims of such person to the Gas produced from Subject Formation underlying Subject Lands.
- 11. Default By Participating Person: In the event any heir of James M. Day named in Paragraph 4 above elects to participate under Paragraph 9.1, but fails or refuses to pay, to secure the payment or to make an arrangement with the Unit Operator for the payment of such person's proportionate part of the Estimated Completed-for-Production costs as set forth herein, all within the time and in the manner as prescribed in this Order, then such person shall be deemed to have withdrawn his election to participate and shall be deemed to have elected to accept as satisfaction in full for such person's right, interests and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which his interest qualifies depending on the excess burdens attached to such interest. Whereupon, any cash bonus consideration due as a result of such deemed election shall be tendered, paid or escrowed by Unit Operator within sixty (60) days after the last day on which such defaulting person under this Order should have paid his proportionate part of such cost or should have made satisfactory arrangements for the payment thereof. When such cash bonus consideration is paid or escrowed, it shall be satisfaction in full for the right, interests and claims of such person to the Gas underlying Subject Drilling Unit in the Subject Lands covered hereby, except, however, for any 1/8 royalties which would become due pursuant to Paragraph 9.2 hereof.
- 12. Assignment of Interest: In the event any heir of James M. Day named in Paragraph 4 above is unable to reach a voluntary agreement to share in the operation of any well contemplated by this Order at a rate of payment agreed to mutually by said gas or oil owner or claimant and the Operator and said person elects or fails to elect to do other than participate under Paragraph 9.1 above in the development and operation of the well in the Subject Formations in the Subject Drilling Unit, then, subject to a final legal determination of ownership,, such person shall be deemed to have and shall have assigned unto Unit Operator such person's right, interests and claims in and to said well, in the Subject Formations in Subject Drilling Unit, and other share in production to which such person may be entitled by reason of any election or deemed election hereunder in accordance with the provisions of this Order governing said election.
- 13. Unit Operator (or Operator): The Applicant, Equitable Resources Exploration, be and hereby is designated as Unit Operator authorized to drill and operate the well in Subject Formations in the Subject Drilling Unit, all subject to the permit provisions contained in Va. Code §§ 45.1-361.27 et seq., §§ 480-05-22.1 et seq., Gas and Oil Regulations and §§ 480-05-22.2 et seq., Virginia Gas and Oil Board Regulations, and the Virginia Gas and Oil Board's Order entered May 31, 1994, establishing drilling units for the Roaring Fork Coalbed Methane Gas Field in VGOB Docket No. 94-0215-0435, all as amended from time to time, and all elections required by this Order shall be communicated to Unit Operator in writing at the address shown below:

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Equitable Resources Exploration
P. O. Box 1983
1989 East Stone Drive
Kingsport, TN 37662
Phone: (615) 224-3800
Fax: (615) 224-3892
Atten: George Heflin, Regulatory

14. Commencement of Operations: Unit Operator shall commence or cause to commence operations for the drilling of any well covered hereby within three hundred and sixty-five (365) days from the date of the Original Pooling Order and shall prosecute the same with due diligence. If Unit Operator shall not have so commenced and/or prosecuted, then this Order shall terminate, except for any cash sums becoming payable hereunder; otherwise, this Order shall expire at 12:00 P.M. on the date on which any well covered by this Order is permanently abandoned and plugged unless sooner terminated by Order of the Board. However, in the event an appeal is taken from this Order, then the time between the filing of the Petition for Appeal and the final Order of the Circuit Court shall be excluded in calculating the one year period referenced to herein.

Upon completion of any Well whose costs comprise part of the estimated completed-for-production costs above and within ninety (90) days after production into the pipeline is obtained and restoration of the location is completed, the Operator shall file with the Board a revised exhibit reflecting the actual Completed-for-Production Costs for the Subject Drilling Unit.

15. Operator's Lien: Unit Operator, in addition to the other rights afforded hereunder, shall have a lien and a right of set off on the Gas rights and interests owned by any person subject hereto who elects to participate under Paragraph 9.1 in the Subject Drilling Unit to the extent that costs incurred in the drilling or operation of the Subject Drilling Unit are a charge against such person's interest. Such liens and right of set off shall be separable as to each separate person and shall remain a lien until the Unit Operator drilling or operating any well covered hereby has been paid the full amounts due under the terms of this Order.

16. Escrow Provisions:

By this Order, the Board instructs the Escrow Agent named herein or any successor named by the Board to establish an interest-bearing escrow account, (herein "the Escrow Account") to receive and account to the Board pursuant to its agreement for the escrowed funds hereafter described:

Tazewell National Bank
Trust Department
c/o Premier Bankshares Corporation
29 College Drive, P. O. Box 1199
Bluefield, VA 24605-1199
Telephone: (703) 322-2242
Fax: (703) 322-2766

16.1 Escrow Provisions For Unknown or Unlocatable Persons: If any payment of bonus, royalty payment or other payment due and owing under this Order cannot be made because the person entitled thereto cannot be located or is unknown, then such cash bonus, royalty payment, or other payment shall not be commingled with any funds of the Unit Operator, and pursuant to Va. Code § 45.1-361.21.D, said sums shall be deposited by the Operator into the Escrow Account, commencing within sixty (60) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of the report format approved by the Inspector, by a date which is no later than sixty (60) days after the last day of each month being reported and/or for which funds subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of

the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board in accordance with Va. Code § 45.1-361.21.D.

- 16.2 Escrow Provisions For Conflicting Claimants: If any payment of bonus, royalty payment of other payment due and owing under this Order cannot be made because the person entitled thereto cannot be made certain due to conflicting claims of ownership and/or a defect or cloud on the title, then such cash bonus, royalty payment or other payment, together with Participating Operator's Proportionate Costs paid to Operator pursuant to Paragraph 9.1, if any, (1) shall not be commingled with any funds of the Unit Operator; and (2) shall, pursuant to Va. Code §§ 45.1-361.22A.2, 45.1-361.22A.3 and 45.1-361.22.A.4, be deposited by the Operator into the Escrow Account, commencing within sixty (60) days of the recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of a report format approved by the Inspector, by a date which is no later than sixty (60) days after the last day of each month being reported and/or for which funds are subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of, the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board.
 - 17. Special Findings: The Board specifically and specially finds:
 - 17.1 Applicant is a division of Equitable Resources Energy Company, a West Virginia corporation duly authorized to transact business in the Commonwealth of Virginia;
 - 17.2 Applicant claims control of oil and gas and coalbed methane gas leasehold estates representing 96.792979 percent of the gas and oil estate, and 100 percent of the coal estate for the acreage underlying the Subject Drilling Unit.
 - 17.3 Applicant is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;
 - 17.4 Applicant has proposed the drilling of one (1) well, Well VC-3225, to a depth of 2,060 feet on the Subject Drilling Unit to develop the Gas in Subject Formations.
 - 17.5 Respondents are listed on Exhibit "B". Included in Exhibit "B" are the names and last known addresses of each person of record identified by the Applicant as having or claiming a potential interest in the Coalbed Methane Gas in the Subject Drilling Unit underlying and comprised of Subject Lands. Those owners or claimants who have not reached a voluntary agreement to share in the operation of the well represent 3.207021 percent of the gas and oil estate in Subject Drilling Unit.
 - 17.6 The estimated production over the life of the well is 350 million cubic feet.
 - 17.7 Applicant's evidence established that the fair, reasonable and equitable compensation to be paid to any person in lieu of the right to participate in any well covered hereby are those options provided in Paragraph 9 above; and
 - 17.8. A Well work permit for Well VC-3225 was issued on October 7, 1994, by the Department of Mines, Minerals and Energy.

- 17.9 The relief requested and granted is just and reasonable, is supported by substantial evidence and will afford each person in the Subject Drilling Unit the opportunity to recover or receive, without unnecessary expense, each person's just and fair share of the production from the Subject Drilling Unit, subject to a final legal determination of ownership; and the granting of the Application and relief requested therein will ensure to the extent possible at this time the greatest ultimate recovery of coalbed methane gas, prevent or assist in preventing the various types of waste prohibited by statute, and protect or assist in protecting the correlative rights of all persons in the subject common sources of supply in the Subject Lands. Therefore, the Board is entering an Order granting the relief herein set forth.
- 18. Mailing Of Order And Filing Of Affidavit: Applicant or its Attorney shall file an affidavit with the Secretary of the Board within sixty (60) days after the date of receipt of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of receipt of this Order to each person pooled by this Order whose address is known.
- 19. Availability of Unit Records: The Director shall provide all persons not subject to a lease with reasonable access to all records for the Subject Drilling Unit which are submitted by the Unit Operator to said Director and/or his Inspector(s).
- 20. <u>Conclusion</u>: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
- 21. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 7th day of April 1995	, by a
DONE AND EXECUTED this 7/2 day of April , 1995 majority of the Virginia Gas and Oil Board.	, ,, ,
Chairman, Benny R. Wampler	
Chairman, Benny R. Wampier	

DONE AND PERFORMED this 7th day of April , 1995, by Order of this Board.

Byron/Thomas Fulmer/ Principal Executive To The Staff Virginia Gas and Oil Board

STATE OF VIRGINIA COUNTY OF WISE

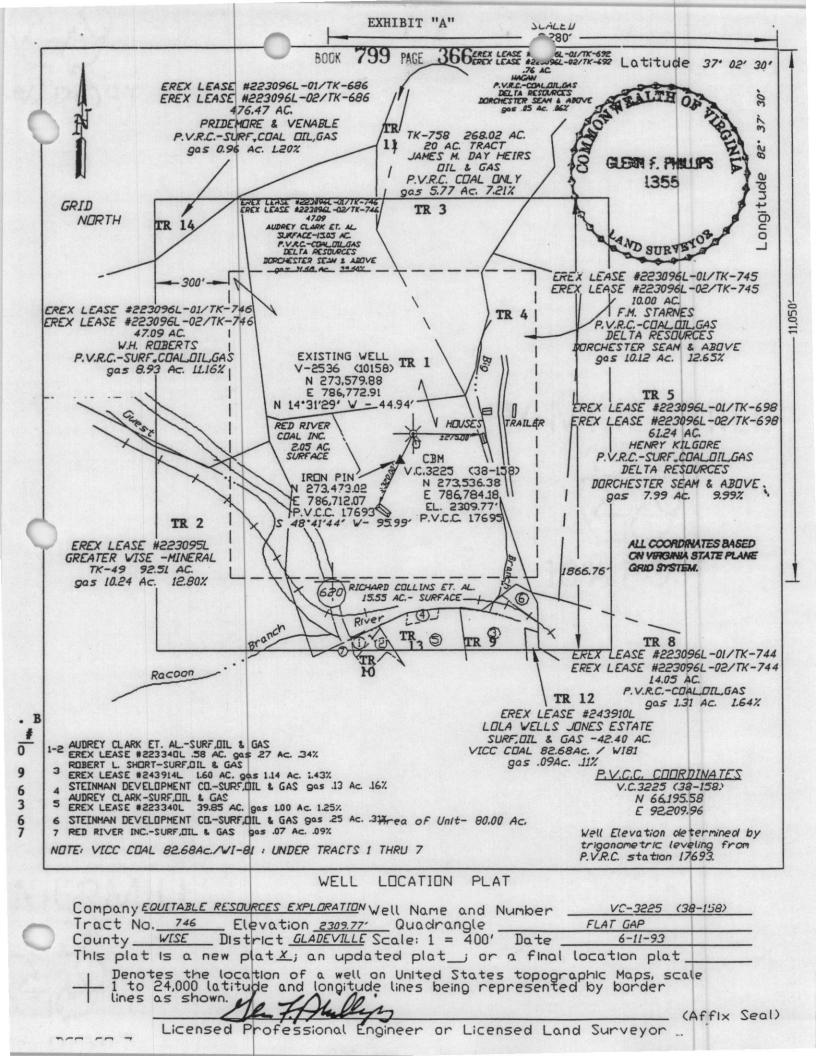
Acknowledged on this day of , 1995, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

Susan G. Garrett Notary Public

Duspa Wary

My commission expires 7/31/98

the Staff of the		Diane J.	ne q.	Davi	he same an
		Notary P	ublic		WINE COLOR
commission expi	res 09/30/97				



VGOB-94/09/20-0474 VGOB-95/02/21-0492 Revised 2/16/95

TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN UNIT	GROSS ACREAGE IN UNIT
	Co	pal Estate Only		
1	Penn Virginia Resources Corp. 999 Executive Park Blvd., Suite 300 Kingsport, TN 37660	Leased - EREX 223096L-02 TR 746	50.76%	40.61
2	Greater Wise Attn: James M. Thomas P. O. Box 668 Norton, VA 24273	Leased - EREX 223095L-01 TR 49	12.80%	10.24
3	Penn Virginia Resources Corp. 999 Executive Park Blvd., Suite 300 Kingsport, TN 37660	Leased - EREX 223096L-02 TR 758	7.21%	5.77
) 4	Penn Virginia Resources Corp. 999 Executive Park Blvd., Suite 300 Kingsport, TN 37660	Leased - EREX 223096L-02 TR 745	12.65%	10.12
5	Penn Virginia Resources Corp. 999 Executive Park Blvd., Suite 300 Kingsport, TN 37660	Leased - EREX 223096L-02 TR 698	9.99%	7.99
6	Virginia Iron, Coal & Coke Inc. P. O. Box 1578 Coeburn, VA 24230	Leased - EREX 223010L-01 TR WI-81 244943L-01	0.47%	0.38
7	Virginia Iron, Coal & Coke Inc. P. O. Box 1578 Coeburn, VA 24230	Leased - EREX 223010L-01 TR WI-81 244943L-01	0.09%	0.07
8	Penn Virginia Resources Corp. 999 Executive Park Blvd., Suite 300 Kingsport, TN 37660	Leased - EREX 223096L-02 TR 744	1.64%	1,31
9	Virginia Iron, Coal & Coke Inc. P. O. Box 1578 Coeburn, VA 24230	Leased - EREX 223010L-01 TR WI-81 244943L-01	1.43%	1.14

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TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN UNIT	GROSS ACREAGE IN UNIT
10	Virginia Iron, Coal & Coke Inc. P. O. Box 1578 Coeburn, VA 24230	Leased - EREX 223010L-01 TR WI-81 244943L-01	0.34%	0.27
11	Penn Virginia Resources Corp. 999 Executive Park Blvd., Suite 300 Kingsport, TN 37660	Leased - EREX 223096L-02 TR 692	0.06%	0.05
12	Virginia Iron, Coal & Coke Inc. P. O. Box 1578 Coeburn, VA 24230	Leased - EREX 223010L-01 TR WI-81 244943L-01	0.11%	0.09
13	Virginia Iron, Coal & Coke Inc. P. O. Box 1578 Coeburn, VA 24230	Leased - EREX 223010L-01 TR WI-81 244943L-01	1.25%	1.00
14	Penn Virginia Resources Corp. 999 Executive Park Blvd., Suite 300 Kingsport, TN 37660	Leased - EREX 223096L-02 TR 686	1.20%	0.96
TOTAL			100.00%	80.00
	Percent of Unit Leased Percent of Unit Unleased		100.00% 0.00%	
	Acreage in Unit Leased Acreage in Unit Unleased			80.00 0.00

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TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN <u>UNIT</u>	GROSS ACREAGE IN UNIT
	Ge	as Estate Only		
1	Penn Virginia Resources Corp. 999 Executive Park Blvd., Suite 300 Kingsport, TN 37660	Leased - EREX 223096L-02 TR 746	50.76000%	40.61000
2	Greater Wise, Inc. Attn: James M. Thomas P. O. Box 668 Norton, VA 24273	Leased - EREX 223095L TR 49	12.80000%	10.24000
3	Heirs of James M. Day Arthur Kilgore and Shirley Kilgore, H/W P. O. Box 2438 Wise, VA 24293	Leased-EREX 244433L-17	0.901250%	0.72125000
	Delmar Day Heirs Belle Day AKA Belle Calhoun, Widow Route 2, Box 334 Wise, VA 24293	Leased-EREX 244433L-37	0.300416% Life Estate	0.24041628
	Jim Day and Pam Day, H/W 151 Kingston Circle Coppell, TX 75019	Unleased	0.600834% Remainderman (0.901250%)	0.48083372
	Clarence Robinette, Widower P. O. Box 296 Wise, VA 24293	Leased - EREX 244433L-19	0.360500%	0.28850000
	Goldie Stidham, Widow 311 Walnut Street Noblesville, IN 46060	Leased - EREX 244433L-08	0.360500%	0.28850000
	Ronnie Robinette and Gale Robinette, H/W 13028 Bellerive Drive Orlando, FL 23828	Leased - EREX 244433L-05	0.360500%	0.28850000
	R. E. Thacker and Helen Thacker, H/W 223 Steephill Road Blountville, TN 37617	Leased - EREX 244433L-20	0.360500%	0.28850000

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TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN UNIT	GROSS ACREAGE IN UNIT
	Willie Robinette and Thelma Robinette, H/W Route 1 Box 739 Norton, VA 24273	Leased - EREX 244433L-01	0.120166%	0.09616628
	Ruth Robinette Smith, Widow Route 1 Box 739 Norton, VA 24273	Unleased	0.120166%	0.09616628
	Homer Robinette Heirs			
	Margaret Whitt, Single 1046 Holly Court Norton, VA 24273	Leased - EREX 244433L-38	0.060083%	0.04808314
	Gladys Boggs and Kerry Boggs Route 1 Box 478 Norton, VA 24273	Leased-EREX 244433L-22	0.060083%	0.04808314
	Burton Day Estate Unknown	Unleased	1.802500%	1.44250000
	Mable W. Addington and Harold D. Addington, H/W Route 2 Box 177 St. Stephens Church, VA 23148	Leased - EREX 244433L-16	0.150208%	0.12020814
	Lora Carter and Laxter Carter, H/W Route 1 Box 412A Hague, VA 22169	Leased - EREX 244433L-15	0.150208%	0.12020814
	Katherine White, Widow 101 Durbin Way Vine Grove, KY 40175	Leased - EREX 244433L-14	0.100138% Life Estate	0.08013838
	Lois Miller and Harold Miller, H/W 101 Durbin Way Vine Grove, KY 40175	Leased - EREX 244433L-14	0.040056% Remainderman (0.060084%)	0.03205581
	Ray White, Widower 22102 Loretta Road Woodhaven, MI 48183	Leased - EREX 244433L-24	0.040056% Remainderman (0.060084%)	0.03205581
	Anita Brooks, Widow 2701 West Water Ave., Apt. #1404 Tampa, FL 33614	Leased - EREX 244433L-13	0.040056% Remainderman (0.060084%)	0.03205581

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TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN UNIT	GROSS ACREAGE IN UNIT
	James Ralph White and Gloria White, H/W 694 Dudley Pike Ft. Mitchell, KY 41017	Leased - EREX 244433L-25	0.040055% Remainderman (0.060082%)	0.03205524
	Clova Kincer and Bobby Kincer, H/W 110 Harry Wise Road Lawrenceburg, KY 40342	Leased - EREX 244433L-04	0.040055% Remainderman (0.060082%)	0.03205524
	Della White, Widow HC 87, Box 2286 Kona, KY 41829	Leased-EREX 244433L-26	0.100138% Life Estate	0.08013838
	Hazel Craft and Johnny Craft W/H HC 87 Box 2394 Kona, KY 41829	Unleased	0.066760% Remainderman (0.10014%)	0.05342616
	Anna White Unknown	Unleased	0.066760% Remainderman (0.100139%)	0.05342558
	Rayden White and Carolyn White, H/W HC 87 Box 2286 Kona, KY 41829	Leased-EREX 244433L-28	0.066759% Remainderman (0.100138%)	0.05342616
	Maggie White, Widow Route 1 Box 31 Jenkins, KY 41537	Leased - EREX 244433L-11	0.300416%	0.24041628
	Phyllis Chisenhall, Widow 1002 E. Park Avenue Norton, VA 24273	Leased - EREX 244433L-29	0.059172%	0.04735439
	Jackie Chisenhall and Cherryl Chisenhall, H/W 2012 Rawlings Street Richmond, VA 23231	Leased - EREX 244433L-30	0.059173%	0.04735497
	Miles Chisenhall and Wanda Chisenhall, H/W 8950 S. Quaker Road Quinton, VA 23141	Leased - EREX 244433L-02	0.059173%	0.04735497

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TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN UNIT	GROSS ACREAGE IN UNIT
	Leroy Chisenhall and Carolyn Chisenhall, H/W 4602 Carpenter Road Richmond, VA 23222	Leased - EREX 244433L-07	0.059172%	0.04735439
	Georgia Chisenhall, Route 2 Box 43 Wise, VA 24293	Leased-EREX 244433L-31	0.019724%	0.01578499
	Victoria Chisenhall Mullins and Worley Mullins, W/H Lot 19, Davidson MPH Bluefield, WV 24701	Leased-EREX 244433L-39	0.004552%	0.00364260
	Randy Chisenhall and Gwen Chisenhall, H/W Route 2 Box 43 Wise, VA 24293	Unleased	0.006575%	0.00526224
	Dana Chisenhall, Single Route 2 Box 43 Wise, VA 24293	Leased-EREX 244433L-33	0.006576%	0.00526224
	Terry Chisenhall and Regina Chisenhall, H/W #7 Idlewild Trailer Park Wise, VA 24293	Unleased	0.006576%	0.00526224
	Robin Chisenhall and Cynthia Chisenhall, H/W Route 2 Box 43 Wise, VA 24293	Leased-EREX 244433L-35	0.006576%	0.00526224
	Regina Chisenhall, Single Route 2 Box 43 Wise, VA 24293	Leased-EREX 244433L-36	0.006576%	0.00526224
	Melissa Ann Chisenhall Long and Derek Long, W/H 1931 N. Cleveland St., Apt. #602 Arlington, VA 22201	Leased - EREX 244433L-09	0.006576%	0.00526224
	Willa Iris Sexton and Ernest E. Sexton, W/H 7103 John Adams Way Valley Station, KY 40272	Leased - EREX 244433L-10	0.075104%	0.06010436

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TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN UNIT	GROSS ACREAGE IN UNIT
	Oma King and James King, W/H 219 W. Marshall Ave. Elkton, VA 22827	Leased - EREX 244433L-06	0.075104%	0.06010436
	Arbutus Anderson and Don Anderson, W/H Route 5, 5921K Chattsworth, GA 30705	Leased - EREX 244433L-12	0.075104%	0.06010378
	Leslie White, Single Box 92 McRoberts, KY 41835	Leased - EREX 244433L-03	0.075104%	0.06010378
4	Penn Virginia Resources Corp. 999 Executive Park Blvd., Suite 300 Kingsport, TN 37660	Leased - EREX 223096L-02 TR 745	12.65000%	10.12000
5	Penn Virginia Resources Corp. 999 Executive Park Blvd., Suite 300 Kingsport, TN 37660	Leased - EREX 223096L-02 TR 698	9.99000%	7.99000
6	Steinman Development Co. Attn: Jim Sykes P. O. Box 249 Norton, VA 24273	Leased - EREX 244435L-01	0.47000%	0.38000
7	Red River Coal Co. Attn: James M. Thomas P. O. Box 668 Norton, VA 24273	Leased - EREX 223142L-01	0.09000%	0.07000
8	Penn Virginia Resources Corp. 999 Executive Park Blvd., Suite 300 Kingsport, TN 37660	Leased - EREX 223096L-02 TR 744	1.64000%	1.31000
9	Donald Wayne Clark and Dorinda Clark, H/W c/o Rex A. Miller P. O. Box 2093 Wise, VA 24293	Leased - EREX 243914L-01	1.43000%	1.14000

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TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN UNIT	GROSS ACREAGE IN UNIT
10	Audrey Clark, Widow Route #1 Box 862 Norton, VA 24273	Leased - EREX 223340L-01	0.16990%	0.13500
	Jerious H. Clark and Rita Ann Clark, H/W Route 1 Box 862 Norton, VA 24273	Unleased	0.05670%	0.04500
	Sheila Lynn Clark, Single Route 1 Box 862 Norton, VA 24273	Unleased	0.05670%	0.04500
	Eva L. Hunsucker and Jerry Hunsucker, W/H Route 1 Box 1400 Williston, FL 32696	Unleased	0.05670%	0.04500
11	Penn Virginia Resources Corp. 999 Executive Park Blvd., Suite 300 Kingsport, TN 37660	Leased - EREX 223096L-02 TR 692	0.06000%	0.05000
12	Lola Wells Jones Estate Carolyn Sue Smith and Harry Wayne Smith, W/H Route 3 Box 43T3 Castlewood, VA 24224	Leased - EREX 243910L-01	0.00057%	0.00047
	Betty B. Frazer, Widow 1653 Gayle Drive Lexington, KY 40505	Leased - EREX 243910L-02	0.00145%	0.00119
	Donald Peters and Verna J. Peters, H/W P. O. Box 1153 Coeburn, VA 24230	Leased - EREX 243910L-03	0.00057%	0.00047
	Joe Peters and Karen Peters, H/W HC 05 Box 76 Coeburn, VA 24230	Leased - EREX 243910L-04	0.00057%	0.00047

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TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN UNIT	GROSS ACREAGE IN UNIT
	Wilma L. Marshall and Michael J. Marshall, W/H Route 1 Box 578-A Norton, VA 24273	Leased - EREX 243910L-05	0.00105%	0.00086
	Lena Dean and Frederick Dean, W/H Route 1 Box 1036-A Norton, VA 24273	Leased - EREX 243910L-06	0.00105%	0.00086
	Glen Gardner and Renita Gardner, H/W Route 1 Box 1035-F Norton, VA 24273	Leased - EREX 243910L-07	0.00105%	0.00086
	Banis P. Hill and Cecil Hill, W/H Route 1 Box 1034-K Norton, VA 24273	Leased - EREX 243910L-08	0.00105%	0.00086
	Jeffrey Wayne Peters and Debra Peters, H/W 1814 Gate City Highway Bristol, VA 24201	Leased - EREX 243910L-09	0.00015%	0.00011
	Dwight Richard Peters, Single 319 Heritage Drive Bristol, VA 24201	Leased - EREX 243910L-10	0.00015%	0.00011
	James M. Hall and Mary M. Hall, H/W P. O. Box 155 Wise, VA 24293	Leased - EREX 243910L-11	0.00290%	0.00238
	Billie Dale and Kirt McKinley Dale, W/H P. O. Box 1272 Wise, VA 24293	Leased - EREX 243910L-12	0.00105%	0.00086
	Gary E. Peters and Maria L. Peters, H/W 118 Downes Street Hampton, VA 23663	Leased - EREX 243910L-14	0.00015%	0.00011
	Hansford Mullins, Widower Route 2 Box 612 Wise, VA 24293	Unleased	0.03163%	0.02588

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TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN UNIT	GROSS ACREAGE IN UNIT
	Prudy Mullins Kilgore and Cecil J. Kilgore, W/H Route 2 Box 277 Wise, VA 24293	Leased - EREX 243910L-15	0.00653%	0.00534
	Jeanette Mullins Craft and Ewing Craft, W/H Route 2 Box 282 Wise, VA 24293	Leased - EREX 243910L-16	0.00653%	0.00534
	Moselle M. Hunsucker and Charles B. Hunsucker, W/H P. O. Box 454 Norton, VA 24273	Leased - EREX 243910L-17	0.00653%	0.00534
	Grace M. Bentley Unknown	Unleased	0.00653%	0.00534
	Edison J. Gardner and Dorothy Gardner, H/W 6540 Starnes Road Watauga, TX 76148	Leased-EREX 243910L-20	0.00261%	0.00214
	Kyle Gardner and Shirley Gardner, H/W Route 2 Box 59 Wise, VA 24293	Unleased	0.00261%	0.00214
	Mildred Honeycutt Baker and John Baker, W/H 721 Stoner Drive Anderson, IN 46011	Unleased	0.00261%	0.00214
	Margaret N. Hollingsworth, Single 1059 South Indiana Avenue Brownsville, TX 75821	Leased-EREX 243910L-23	0.00261%	0.00214
	Alva Gardner Sturgill and Baxter J. Sturgill, W/H Route 1 Box 309 Pound, VA 24279	Unleased	0.00523%	0.00428
	Emerson Gardner and Dolly Gardner, H/W Box 387 Pound, VA 24279	Unleased	0.00523%	0.00428

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TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN UNIT	GROSS ACREAGE IN UNIT
	Ada Dingus and Joe Dingus, W/H 10401 Oakton Road Chesterfield, VA 23832	Leased - EREX 243910L-26	0.00290%	0.00238
	Lonnie R. Hall and Florence Hall, H/W 103 Thelma Road Oak Ridge, TN 37830	Unleased	0.00290%	0.00238
	Edward B. Hall and Betty Hall, H/W Route 2 Box 134 Clinton, TN 37716	Unleased	0.00290%	0.00238
	Ernest Hall and Stella Hall, H/W Box 238 McConnell, WV 25646	Leased - EREX 243910L-29	0.00290%	0.00238
	Roy E. Hall, Widower 2248 Lakeview Drive Powhatan, VA 23139	Unleased	0.00097%	0.00079
	Muriel Dingus and Tommy Dingus, H/W 9606 Bright Hope Road Chesterfield, VA 23832	Leased-EREX 243910L-31	0.00097%	0.00079
	George C. Hall and Dalores S. Hall, H/W 1103 Anna Street Poplarville, MS 39470	Unleased	0.00097%	0.00079
	Doyle Frazer and Bonnie Frazer, H/W 262 Liberty Street Lynch, KY 40855	Leased - EREX 243910L-33	0.00145%	0.00119
	Stuart E. Hall, Jr. and Marilyn Jane Hall, H/W 3413 Ironwood Road Knoxville, TN 37921	Leased-EREX 243910L-34	0.00097%	0.00079
	Jeanne Jennings and Gary Jennings, W/H 2405 Monterey Road Knoxville, TN 37912	Unleased	0.00097%	0.00079

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TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN <u>UNIT</u>	GROSS ACREAGE IN UNIT
	Brenda Pruitt and Bobby L. Pruitt, W/H 1313 9th Avenue, SE Decatur, AL 35601-4229	Unleased	0.00097%	0.00079
	Rita P. Dotson and Bill Dotson, W/H 379 Buckingham Road Gray, TN 37615	Unleased	0.00057%	0.00047
	Teresa M. Peters, Single 72 Circle Drive Bristol, VA 24201	Leased - EREX 243910L-13	0.00015%	0.00011
13	Audrey Clark, Widow Route 1 Box 862 Norton, VA 24273	Leased - EREX 223340L-01	1.25000%	1.00000
14	Penn Virginia Resources Corp. 999 Executive Park Blvd., Suite 300 Kingsport, TN 37660	Leased - EREX 223096L-01 TR 686	1.20000%	0.96000
TOTAL			100.000000%	80.00
	Percent of Unit Leased Percent of Unit Unleased		96.792979% 3.207021%	
	Acreage in Unit Leased Acreage in Unit Unleased			77.46034714 2.53965286